

An Act

ENROLLED SENATE
BILL NO. 1492

By: Hall of the Senate

and

Moore of the House

An Act relating to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act; amending 59 O.S. 2021, Section 2095.2, which relates to definitions; defining terms; updating statutory language; updating statutory reference; amending 59 O.S. 2021, Section 2095.3, which relates to exemptions; updating statutory reference; amending 59 O.S. 2021, Section 2095.5, which relates to licenses; updating statutory references; amending 59 O.S. 2021, Section 2095.6, which relates to required information by applicant; updating statutory references; providing requirements for certain licensure; modifying conditions for renewal and reinstatement; providing for promulgation of rules for certain fees; amending 59 O.S. 2021, Section 2095.7, which relates to requirement for mortgage loan originator license; updating statutory reference; amending 59 O.S. 2021, Section 2095.8, which relates to prelicensing education; updating statutory reference; amending 59 O.S. 2021, Section 2095.9, which relates to qualified written test; updating statutory reference; amending 59 O.S. 2021, Section 2095.10, which relates to minimum standards for license renewal for mortgage loan originators; updating statutory references; amending 59 O.S. 2021, Section 2095.11, which relates to mortgage broker licensing requirements; updating statutory references; removing provision for certain licensing for offices; amending 59 O.S. 2021, Section 2095.11.1, which relates to mortgage lender licensing requirements; updating statutory references; updating statutory language; removing provision for certain licensing for offices; amending 59 O.S. 2021, Section

2095.12, which relates to minimum standards for license renewal for mortgage brokers; updating statutory references; amending 59 O.S. 2021, Section 2095.12.1, which relates to minimum standards for license renewal for mortgage lenders; updating statutory references; amending 59 O.S. 2021, Section 2095.13, which relates to administrator's requirements; updating statutory references; amending 59 O.S. 2021, Section 2095.14, which relates to challenge of information; updating statutory references; amending 59 O.S. 2021, Section 2095.18, which relates to violations; updating statutory references; amending 59 O.S. 2021, Section 2095.20, which relates to the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund; increasing amount for reimbursement; amending 59 O.S. 2021, Section 2095.21, which relates to continuing education requirements; updating statutory references; amending 59 O.S. 2021, Section 2095.22, which relates to confidential information; updating statutory references; amending 59 O.S. 2021, Section 2095.23, which relates to administrative investigations; removing authority for Administrator to require payment of an examination fee at time of certain applications; updating statutory language; amending 59 O.S. 2021, Section 2095.24, which relates to licensee required reports; updating statutory references; amending 59 O.S. 2021, Section 2095.25, which relates to Consumer Credit required reports; updating statutory references; authorizing the use of remote locations; requiring certain policies and procedures to be put in place; specifying certain requirements to be in place for lawful use; providing for codification; and providing an effective date.

SUBJECT: Lending and remote work

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2021, Section 2095.2, is amended to read as follows:

Section 2095.2. As used in the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act:

1. "Administrator" means the Administrator of Consumer Credit;

2. "Affiliate" means an entity which directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the entity specified;

3. "Borrower" means any individual who consults with or retains a mortgage broker or mortgage loan originator in an effort to obtain or seek advice or information on obtaining or applying to obtain or modify a residential mortgage loan for himself, herself, or individuals including himself or herself, regardless of whether the individual actually obtains or modifies such a loan;

4. "Branch office" means any location, other than a mortgage lender's or mortgage broker's principal place of business or a remote location, where the licensee or its employees or independent contractors maintain a physical presence for the purpose of conducting business;

5. "Commission" means the Commission on Consumer Credit;

~~5.~~ 6. "Compensation" means anything of value or any benefit including points, commissions, bonuses, referral fees and loan origination fees;

~~6.~~ 7. "Depository institution" has the same meaning as in Section 3 of the Federal Deposit Insurance Act and includes any credit union;

~~7.~~ 8. "Entity" means a corporation, company, limited liability company, partnership or association;

~~8.~~ 9. "Federal banking agencies" means the Board of Governors of the Federal Reserve System, the Comptroller of the ~~currency~~ Currency, the Director of the Office of Thrift Supervision, the

National Credit Union Administration and the Federal Deposit Insurance Corporation;

~~9.~~ 10. "Immediate family member" means a spouse, child, sibling, parent, grandparent or grandchild and includes stepparents, stepchildren, stepsiblings and adoptive relationships;

~~10.~~ 11. "Individual" means a natural person and also includes a sole proprietorship;

~~11.~~ 12. a. "Loan processor or underwriter" means an entity or individual who performs support duties as an employee at the direction of and subject to the supervision and instruction of an entity or individual licensed or exempt from licensing as provided in Section 2095.3 of this title.

b. For purposes of this paragraph, the term "clerical or support duties" may include subsequent to the receipt of an application, the receipt collection, distribution and analysis of information necessary for the processing or underwriting or modification of a loan, to the extent that such communication does not include offering or negotiating or modifying loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.

c. An entity or individual engaging solely in loan processor or underwriter activities shall not represent to the public through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists or other promotional items, that such entity or individual can or will perform any of the activities of a mortgage broker or mortgage loan originator;

~~12.~~ 13. a. "Mortgage broker" means an entity who for compensation or gain or in the expectation of compensation or gain:

(1) takes a residential mortgage loan application, ~~or~~

(2) offers, negotiates or modifies the terms of a residential mortgage loan, or

(3) services a residential mortgage.

b. Mortgage broker does not include:

(1) an entity engaged solely as a loan processor or underwriter except as otherwise provided in Section 2095.5 of this title,

(2) an entity that only performs real estate brokerage activities and is licensed or registered in accordance with Oklahoma law, unless the entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker or other mortgage loan originator, and

(3) an entity solely involved in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C., Section 101(53D) ~~United States Code;~~

~~13.~~ 14. "Mortgage lender" means an entity that takes an application for a residential mortgage loan, makes a residential mortgage loan or services a residential mortgage loan and is an approved or authorized:

a. mortgagee with direct endorsement underwriting authority granted by the United States Department of Housing and Urban Development,

b. seller or servicer of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, or

c. issuer for the Government National Mortgage Association;

~~14.~~ 15. a. "Mortgage loan originator" means an individual who for compensation or gain or in the expectation of compensation or gain:

- (1) takes a residential mortgage loan application, or
- (2) offers or negotiates or modifies the terms of a residential mortgage loan.

b. Mortgage loan originator does not include:

- (1) an individual engaged solely as a loan processor or underwriter except as otherwise provided in Section 2095.5 of this title,
- (2) an individual that only performs real estate brokerage activities and is licensed or registered in accordance with Oklahoma law, unless the individual is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator, and
- (3) an individual solely involved in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C., Section 101(53D);

~~15.~~ 16. "Nationwide ~~Mortgage~~ Multistate Licensing System and Registry" means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of licensed mortgage brokers and mortgage loan originators;

~~16.~~ 17. "Nontraditional mortgage product" means any mortgage product other than a thirty-year fixed rate mortgage;

~~17.~~ 18. "Real estate brokerage activity" means any activity that involves offering or providing real estate brokerage services to the public, including:

- a. acting as a real estate agent or real estate broker for a buyer, seller, lessor or lessee of real property,
- b. bringing together parties interested in the sale, purchase, lease, rental or exchange of real property,
- c. negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental or exchange of real property, other than in connection with providing financing with respect to any such transaction,
- d. engaging in any activity for which an entity engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law, and
- e. offering to engage in any activity or act in any capacity described in this paragraph;

~~18.~~ 19. "Registered mortgage loan originator" means any individual who:

- a. meets the definition of mortgage loan originator and is an employee of:
 - (1) a depository institution,
 - (2) a subsidiary that:
 - (a) is owned and controlled by a depository institution, and
 - (b) is regulated by a federal banking agency, or
 - (3) an institution regulated by the Farm Credit Administration, and
- b. is registered with, and maintains a unique identifier through, the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry;

~~19.~~ 20. "Remote location" means a location, other than the principal place of business or a branch office, at which the employees or independent contractors of a licensee may conduct mortgage business. Licensable activities from a remote location shall be permitted when conducted under the supervision of the licensee and when all requirements in Section 22 of this act are satisfied;

21. "Residential mortgage loan" means any loan primarily for personal, family or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling as defined in Section 103(v) of the Truth in Lending Act or residential real estate upon which is constructed or intended to be constructed such a dwelling;

~~20.~~ 22. "Residential real estate" means any real property located in this state upon which is constructed or intended to be constructed a dwelling as defined in paragraph ~~19~~ 21 of this section; ~~and~~

23. "Servicing" means the administration of a resident mortgage loan following the closing of such loan. An entity shall be deemed to be servicing if it either holds the servicing rights, or engages in any activities determined to be servicing, including:

- a. collection of monthly mortgage payments,
- b. the administration of escrow accounts,
- c. the processing of borrower inquiries and requests, and
- d. default management; and

~~21.~~ 24. "Unique identifier" means a number or other identifier assigned by protocols established by the Nationwide Mortgage Multistate Licensing System and Registry.

SECTION 2. AMENDATORY 59 O.S. 2021, Section 2095.3, is amended to read as follows:

Section 2095.3. The following are exempt from all provisions of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act:

1. Registered mortgage loan originators, when acting for an entity described in divisions (1), (2) and (3) of subparagraph a of paragraph ~~18~~ 19 of Section 2095.2 of this title;

2. An individual who offers or negotiates or modifies terms of a residential mortgage loan with or on behalf of an immediate family member of the individual;

3. An individual who offers or negotiates or modifies terms of a residential mortgage loan secured by a dwelling that served as the individual's residence;

4. A licensed attorney who negotiates or modifies the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator;

5. Entities described in divisions (1), (2) and (3) of subparagraph a of paragraph ~~18~~ 19 of Section 2095.2 of this title; or

6. Any entity that is an organization recognized by the Internal Revenue Service as a 501(c)(3) charitable entity that meets the conditions set forth in (B) through (F) of subparagraph (ii), paragraph (7), subsection (e) of Section 1008.103 of Title 12 of the Code of Federal Regulations.

SECTION 3. AMENDATORY 59 O.S. 2021, Section 2095.5, is amended to read as follows:

Section 2095.5. A. 1. An entity or individual, unless specifically exempted from the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, as provided in Section 2095.3 of this title, shall not engage in the business of a mortgage broker, mortgage lender or mortgage loan originator with respect to any dwelling located in this state without first obtaining and maintaining annually a license under the Oklahoma Secure and Fair

Enforcement for Mortgage Licensing Act. Each licensed mortgage broker, mortgage lender and mortgage loan originator must register with and maintain a valid unique identifier issued by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

2. In order to facilitate an orderly transition to licensing and minimize disruption in the mortgage marketplace, the effective date for licensing all entities and individuals as provided in this subsection, including those currently licensed as mortgage brokers or mortgage loan originators, shall be July 31, 2010, or such later date approved by the Secretary of the U.S. Department of Housing and Urban Development, pursuant to the authority granted under 12 U.S.C., Section 5107.

B. A loan processor or underwriter who is an independent contractor may not engage in the activities of a loan processor or underwriter unless such independent contractor loan processor or underwriter obtains and maintains a license as required by the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. Each independent contractor loan processor or underwriter licensed as a mortgage broker or mortgage loan originator must have and maintain a valid unique identifier issued by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

C. For the purposes of implementing an orderly and efficient licensing process, the Administrator of Consumer Credit may establish licensing rules, upon approval by the Commission on Consumer Credit, and the Administrator may establish interim procedures for licensing and acceptance of applications. For previously registered or licensed entities or individuals, the Administrator may establish expedited review and licensing procedures.

SECTION 4. AMENDATORY 59 O.S. 2021, Section 2095.6, is amended to read as follows:

Section 2095.6. A. Applicants for a license shall apply on a form as prescribed by the Administrator of Consumer Credit.

B. In order to fulfill the purposes of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, the Administrator is authorized to establish relationships or contracts with the

Nationwide ~~Mortgage~~ Multistate Licensing System and Registry or other entities designated by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry to collect and maintain records and process transaction fees or other fees related to licensees or other entities or individuals subject to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.

C. In connection with an application for licensing as a mortgage loan originator, the applicant shall, at a minimum, furnish to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry information concerning the applicant's identity including:

1. Fingerprints for submission to the Federal Bureau of Investigation and any governmental agency or entity authorized to receive such information for a state, national and international criminal history background check; and

2. Personal history and experience in a form prescribed by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and the Administrator to obtain:

- a. an independent credit report obtained from a consumer reporting agency defined in 15 U.S.C., Section 1681a(p), and
- b. information related to any administrative, civil or criminal findings by any governmental jurisdiction.

D. In connection with an application for licensing as a mortgage broker or mortgage lender, the applicant shall, at a minimum, furnish to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry information concerning each owner, officer, director or partner, as applicable including:

1. Fingerprints for submission to the Federal Bureau of Investigation and any governmental agency or entity authorized to receive such information for a state, national and international criminal history background check; and

2. Personal history and experience in a form prescribed by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and the Administrator to obtain:

- a. an independent credit report obtained from a consumer reporting agency described in 15 U.S.C., Section 1681a(p), and
- b. information related to any administrative, civil or criminal findings by any governmental jurisdiction.

E. For purposes of this section and in order to reduce points of contact which the Federal Bureau of Investigation may have to maintain for purposes of paragraph 1 and subparagraph b of paragraph 2 of subsection D of this section, the Administrator may use the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry as a channeling agent for requesting information from and distributing information to the United States Department of Justice or any governmental agency.

F. For the purposes of this section and in order to reduce the points of contact which the Administrator may have to maintain for purposes of subparagraphs a and b of paragraph 2 of subsection D of this section, the Administrator may use the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry as a channeling agent for requesting and distributing information to and from any source so directed by the Administrator.

G. A license issued under the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act shall be valid for a period of one (1) year, unless otherwise revoked or suspended by the Administrator as provided in the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.

H. The Administrator, on determining that the applicant is qualified and upon payment of the fees by the applicant, shall issue a license to the applicant. An applicant who has been denied a license may not reapply for the license for sixty (60) days from the date of the previous application. A new license issued on or after November 1 shall be effective through December 31 of the following calendar year.

I. A licensee shall pay the renewal fee on or before December 1. If the license is not renewed by December 1, the licensee shall pay a late renewal fee as prescribed by rule of the Commission on

Consumer Credit. Licenses not renewed by December 31 shall expire and the licensee shall not act as a mortgage broker, mortgage lender or mortgage loan originator until a new license is issued pursuant to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. A license shall not be granted to the holder of an expired license except as provided in the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act for the issuance of an original license.

J. A licensee shall prominently display the mortgage broker, mortgage lender or mortgage loan originator license in the ~~office~~ principal place of business of the mortgage broker, mortgage lender or mortgage loan originator and any branch office of the mortgage broker or mortgage lender.

K. 1. ~~Initial and renewal license fees shall be as prescribed by rule of the Commission on Consumer Credit~~ An applicant for a mortgage broker or mortgage lender license shall pay a fee of One Thousand Two Hundred Dollars (\$1,200.00). This fee shall cover the application fee and examination fee for all registered locations, including any changes of address.

2. Mortgage broker or mortgage lender licenses may be renewed by submitting an annual assessment fee. The annual assessment fee shall:

- a. be based on the dollar volume of loans originated for residential real property located in Oklahoma during the twelve-month period ending June 30,
- b. be based on the dollar volume of loans serviced for residential real property located in Oklahoma as reported on the Q2 mortgage call report for the period ending on June 30,
- c. be determined by applying a factor of eight-thousandths of a percent (0.008%) of the dollar volume of loans originated and the dollar volume of loans serviced in Oklahoma, and
- d. cover:

- (1) the renewal fee for the principal office and any branches, and
- (2) any examination-related costs incurred by the Department of Consumer Credit.

3. Beginning November 1, 2024, the annual assessment fee shall not be:

- a. less than One Thousand Dollars (\$1,000.00),
- b. more than Forty Thousand Dollars (\$40,000.00) for the portion of the assessment calculated according to subparagraph a of paragraph 2 of this subsection, nor
- c. more than Seventeen Thousand Five Hundred Dollars (\$17,500.00) for the portion of the assessment calculated according to subparagraph b of paragraph 2 of this subsection.

4. Beginning November 1, 2025, the annual assessment fee shall not be:

- a. less than One Thousand Dollars (\$1,000.00),
- b. more than Forty Thousand Dollars (\$40,000.00) for the portion of the assessment calculated according to subparagraph a of paragraph 2 of this subsection, nor
- c. more than Twenty-seven Thousand Five Hundred Dollars (\$27,500.00) for the portion of the assessment calculated according to subparagraph b of paragraph 2 of this subsection.

5. Beginning November 1, 2026, the annual assessment fee shall not be:

- a. less than One Thousand Dollars (\$1,000.00),
- b. more than Forty Thousand Dollars (\$40,000.00) for the portion of the assessment calculated according to subparagraph a of paragraph 2 of this subsection, nor

- c. more than Thirty-five Thousand Dollars (\$35,000.00) for the portion of the assessment calculated according to subparagraph b of paragraph 2 of this subsection.

6. Beginning November 1, 2027, the annual assessment fee shall not be:

- a. less than One Thousand Dollars (\$1,000.00),
- b. more than Forty Thousand Dollars (\$40,000.00) for the portion of the assessment calculated according to subparagraph a of paragraph 2 of this subsection, nor
- c. more than Forty Thousand Dollars (\$40,000.00) for the portion of the assessment calculated according to subparagraph b of paragraph 2 of this subsection.

7. A late renewal fee shall be as prescribed by rule of the Commission on Consumer Credit.

~~3. 8. Branch office fees offices shall be as prescribed by rule of the Commission on Consumer Credit for each year registered with the Department and shall be accompanied by an initial registration fee of One Hundred Fifty Dollars (\$150.00).~~

~~4. 9. A fee as prescribed by rule of the Commission on Consumer Credit shall be charged for each license change, duplicate license or returned check.~~

~~5. 10. A fee as prescribed by rule of the Commission on Consumer Credit shall be paid by applicants and licensees into the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund as provided for in Section 2095.20 of this title for each initial application and each renewal application.~~

~~6. An examination fee shall be as prescribed by rule of the Commission on Consumer Credit.~~

~~7. An application fee shall be as prescribed by rule of the Commission on Consumer Credit.~~

11. Each additional trade name used by a licensee shall be registered with the Department and shall be accompanied by an initial registration fee of One Hundred Fifty Dollars (\$150.00).

12. The Administrator of Consumer Credit may reinstate a license within thirty-one (31) days of the expiration of the license if the licensee pays the assessment fees and a reinstatement fee of Five Hundred Dollars (\$500.00). A licensee shall not be reinstated when the renewal application, fees, or any required information is received on or after February 1 of the following year that the renewal application was due.

13. The Administrator may reduce annual assessment fees on a pro rata basis for a specific renewal period by reducing the factor applied to the dollar volume of loans originated and serviced. The Administrator shall notify licensees of an annual assessment fee reduction prior to November 1 of the specific license renewal period. An annual assessment fee does not include an initial license fee for purposes of this subsection.

L. 1. An applicant for an initial mortgage loan originator license shall pay a fee of Four Hundred Fifty Dollars (\$450.00).

2. An applicant renewing a mortgage loan originator license shall pay a fee of Two Hundred Fifty Dollars (\$250.00).

3. A late renewal fee shall be as prescribed by rule of the Commission on Consumer Credit.

4. A fee as prescribed by rule of the Commission shall be paid by applicants and licensees into the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund, as provided in Section 2095.20 of this title, for each initial application and each renewal application.

SECTION 5. AMENDATORY 59 O.S. 2021, Section 2095.7, is amended to read as follows:

Section 2095.7. A. The Administrator of Consumer Credit shall not issue a mortgage loan originator license unless the Administrator makes at a minimum the following findings:

1. The applicant has never had a mortgage loan originator license revoked in any governmental jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation;

2. The applicant has not been convicted of, or pled guilty or nolo contendere to a felony crime that substantially relates to the occupation of a mortgage loan originator and poses a reasonable threat to public safety in a domestic, foreign or military court:

- a. during the seven-year period preceding the date of the application for licensing and registration, or
- b. at any time preceding such date of application, if such felony involved an act of fraud, dishonesty, a breach of trust or money laundering.

Provided, that any pardon of a conviction shall not be a conviction for purposes of this paragraph;

3. The applicant has demonstrated financial responsibility and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly and efficiently within the purposes of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. For purposes of this paragraph, an individual has shown that he or she is not financially responsible when he or she has shown a disregard in the management of his or her own financial condition. A determination that an individual has not shown financial responsibility may include, but not be limited to:

- a. current outstanding judgments, except judgments solely as a result of medical expenses,
- b. current outstanding tax liens or other government liens and filings,
- c. foreclosures within the past three (3) years, or
- d. pattern of seriously delinquent accounts within the past three (3) years;

4. The applicant has completed the prelicensing education requirement described in Section 2095.8 of this title;

5. The applicant has passed a written test that meets the test requirement described in Section 2095.9 of this title;

6. The applicant has paid into the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund as required by paragraph 5 10 of subsection K of Section 2095.6 of this title; and

7. The applicant is sponsored by a licensed mortgage broker or mortgage lender. The Administrator of Consumer Credit may authorize an entity exempt from the requirements of ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act to sponsor an applicant that is an independent contractor of the exempt entity. The Administrator of Consumer Credit may promulgate administrative rules, subject to approval of the Commission on Consumer Credit, to implement sponsorship procedures and requirements.

B. As used in this section:

1. "Substantially relates" means the nature of criminal conduct for which the person was convicted has a direct bearing on the fitness or ability to perform one or more of the duties or responsibilities necessarily related to the occupation; and

2. "Poses a reasonable threat" means the nature of criminal conduct for which the person was convicted involved an act or threat of harm against another and has a bearing on the fitness or ability to serve the public or work with others in the occupation.

SECTION 6. AMENDATORY 59 O.S. 2021, Section 2095.8, is amended to read as follows:

Section 2095.8. A. In order to meet the prelicensing education requirement referred to in Section 2095.7 of this title, an individual shall complete at least twenty (20) hours of education approved in accordance with subsection B of this section, which shall include at least:

1. Three (3) hours of federal law and regulations;

2. Three (3) hours of ethics, which shall include instruction on fraud, consumer protection and fair lending issues;

3. Two (2) hours of training related to lending standards for the nontraditional mortgage product marketplace; and

4. One (1) hour of Oklahoma law and regulations.

B. For purposes of subsection A of this section, prelicensing education courses shall be reviewed and approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry based upon reasonable standards. Review and approval of a prelicensing education course shall include review and approval of the course provider.

C. Nothing in this section shall preclude any prelicensing education course as approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry that is provided by the employer of the applicant or an entity which is affiliated with the applicant by an agency contract or any subsidiary or affiliate of such employer or entity.

D. Prelicensing education may be offered either in a classroom, online or by any other means approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

E. The prelicensing education requirements approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry in paragraph 1 of subsection A and subsections B and C of this section for any state shall be accepted as credit towards completion of prelicensing education requirements in this state.

F. An individual previously licensed pursuant to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, subsequent to July 1, 2009, and applying to be licensed again, must prove completion of all of the continuing education requirements for the year in which the license was last held.

SECTION 7. AMENDATORY 59 O.S. 2021, Section 2095.9, is amended to read as follows:

Section 2095.9. A. In order to meet the written test requirement referred to in Section ~~10 of this act~~ 2095.7 of this title, an individual shall pass, in accordance with standards established under this section, a qualified written test developed by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and administered by a test provider approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry based upon reasonable standards.

B. A written test shall not be treated as a qualified written test for purposes of subsection A of this section unless the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including:

1. Ethics;
2. Federal law and regulations pertaining to mortgage origination;
3. State law and regulation pertaining to mortgage origination; and
4. Federal and state law and regulation, including instruction on fraud, consumer protection, the nontraditional mortgage marketplace and fair lending issues.

C. Nothing in this section shall prohibit a test provider approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry from providing a test at the location of the employer of the applicant or the location of any subsidiary or affiliate of the employer of the applicant or the location of any entity with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

D. 1. An individual shall not be considered to have passed a qualified written test unless the individual achieves a test score of not less than seventy-five percent (75%) correct answers to questions.

2. An individual may retake a test three consecutive times with each consecutive taking occurring at least thirty (30) days after the preceding test.

3. After failing three consecutive tests, an individual shall wait at least six (6) months before taking the test again.

4. A licensed mortgage loan originator who fails to maintain an active and valid license for a period of five (5) years or longer shall retake the test, not taking into account any time during which such individual is a registered mortgage loan originator.

SECTION 8. AMENDATORY 59 O.S. 2021, Section 2095.10, is amended to read as follows:

Section 2095.10. A. The minimum standards for license renewal for mortgage loan originators shall include the following:

1. The mortgage loan originator continues to meet the minimum standards for license issuance under Section ~~10 of this act~~ 2095.7 of this title;

2. The mortgage loan originator has satisfied the annual continuing education requirements described in Section ~~24 of this act~~ 2095.21 of this title; and

3. The mortgage loan originator has paid all required fees for renewal of the license.

B. The license of a mortgage loan originator failing to satisfy the minimum standards for license renewal shall expire. The Administrator of Consumer Credit may adopt procedures in addition to the requirements of Section ~~9 of this act~~ 2095.6 of this title for the reinstatement of expired licenses consistent with the standards established by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

SECTION 9. AMENDATORY 59 O.S. 2021, Section 2095.11, is amended to read as follows:

Section 2095.11. A. The Administrator of Consumer Credit shall not issue a mortgage broker license unless the Administrator makes at a minimum the following findings:

1. The applicant or any owner, officer, director or partner has never had a mortgage broker or mortgage loan originator license revoked in any governmental jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation;

2. Any owner, officer, director or partner of the applicant has not been convicted of, or pled guilty or nolo contendere to, a felony crime that substantially relates to the occupation of a mortgage broker and poses a reasonable threat to public safety in a domestic, foreign or military court:

- a. during the seven-year period preceding the date of the application for licensing and registration, or
- b. at any time preceding such date of application, if such felony involved an act of fraud, dishonesty, a breach of trust or money laundering.

Provided, that any pardon of a conviction shall not be a conviction for purposes of this paragraph;

3. The applicant's owners, officers, directors or partners have demonstrated financial responsibility and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage broker will operate honestly, fairly and efficiently within the purposes of ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. For purposes of this paragraph, an applicant's owners, officers, directors or partners have shown they are not financially responsible when they have shown a disregard in the management of their own financial condition. A determination that an owner, officer, director or partner has not shown financial responsibility may include, but not be limited to:

- a. current outstanding judgments, except judgments solely as a result of medical expenses,
- b. current outstanding tax liens or other government liens and filings,
- c. foreclosures within the past three (3) years, or

- d. a pattern of seriously delinquent accounts within the past three (3) years;

4. The applicant has paid into the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund as required by paragraph ~~5~~ 10 of subsection K of Section 2095.6 of this title; and

5. The applicant has paid all required fees for issuance of the license.

B. Each mortgage broker applicant shall designate and maintain a principal place of business for the transaction of business. The applicant shall specify the address of the principal place of business and designate a licensed mortgage loan originator to oversee the operations of the principal place of business. If an applicant wishes to maintain one or more ~~locations~~ branch offices for the transaction of business in addition to a principal place of business, the applicant shall first ~~obtain a~~ register the branch office ~~license from~~ location with the Administrator and designate a licensed mortgage loan originator for each branch office to oversee the operations of that branch office. The applicant shall submit a fee as set forth in paragraph ~~3~~ 8 of subsection K of Section 2095.6 of this title for each branch office ~~license issued.~~ registered. ~~If the Administrator of Consumer Credit determines that the applicant is qualified, the Administrator shall issue a branch office license indicating the address of the branch office~~ registered. If the address of the principal place of business or of any branch office is changed, the licensee shall immediately notify the Administrator of the change and the Administrator shall endorse the change of address on the license for a fee as prescribed in paragraph ~~4~~ 6 of subsection K of Section 2095.6 of this title.

C. As used in this section:

1. "Substantially relates" means the nature of criminal conduct for which the person was convicted has a direct bearing on the fitness or ability to perform one or more of the duties or responsibilities necessarily related to the occupation; and

2. "Poses a reasonable threat" means the nature of criminal conduct for which the person was convicted involved an act or threat

of harm against another and has a bearing on the fitness or ability to serve the public or work with others in the occupation.

SECTION 10. AMENDATORY 59 O.S. 2021, Section 2095.11.1, is amended to read as follows:

Section 2095.11.1. The Administrator of Consumer Credit shall not issue a mortgage lender license unless the Administrator makes at a minimum the following findings:

1. The applicant or any owner, officer, director or partner has never had a mortgage lender, mortgage broker or mortgage loan originator license revoked in any governmental jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation;

2. Any owner, officer, director or partner of the applicant has not been convicted of, or pled guilty or nolo contendere to, a felony crime that substantially relates to the occupation of a mortgage lender and poses a reasonable threat to public safety in a domestic, foreign or military court:

- a. during the seven-year period preceding the date of the application for licensing and registration, or
- b. at any time preceding such date of application, if such felony involved an act of fraud, dishonesty, a breach of trust or money laundering.

Provided, that any pardon of a conviction shall not be a conviction for purposes of this paragraph;

3. The applicant and the applicant's owners, officers, directors or partners have demonstrated financial responsibility and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage lender will operate honestly, fairly and efficiently within the purposes of ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. For purposes of this paragraph, an applicant's owners, officers, directors or partners have shown they are not financially responsible when they have shown a disregard in the management of their own financial condition. A determination that an owner,

officer, director or partner has not shown financial responsibility may include, but not be limited to:

- a. current outstanding judgments, except judgments solely as a result of medical expenses,
- b. current outstanding tax liens or other government liens and filings,
- c. foreclosures within the past three (3) years, or
- d. a pattern of seriously delinquent accounts within the past three (3) years;

4. The applicant has filed a bond in the amount of One Hundred Thousand Dollars (\$100,000.00) securing the applicant's or licensee's faithful performance of all duties and obligations of a licensee. The bond shall meet the following requirements:

- a. the bond shall be in a form acceptable to the Administrator,
- b. the bond shall be issued by an insurance company authorized to conduct business in ~~the State of Oklahoma~~ this state,
- c. the bond shall be payable to the ~~Oklahoma~~ Department of Consumer Credit,
- d. the bond is continuous in nature and shall be maintained at all times as a condition of licensure,
- e. the bond may not be terminated without thirty (30) ~~days~~ days' prior written notice to the Administrator and approval of the Administrator,
- f. the bond shall be available for the recovery of expenses, civil penalties and fees assessed pursuant to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and for losses or damages which are determined by the Administrator to have been incurred by any borrower or consumer as a result of

the applicant's or licensee's failure to comply with the requirements of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act,

- g. when an action is commenced on a licensee's bond, the Administrator may require the filing of a new bond, and
- h. whenever the principal sum of the bond is reduced by one or more recoveries or payments thereon, the licensee shall furnish a new or additional bond so that the total or aggregate principal sum of such bond or such bonds shall equal One Hundred Thousand Dollars (\$100,000.00) or shall furnish an endorsement duly executed by the corporate surety reinstating the bond to the required principal sum;

5. The applicant has a net worth of at least Twenty-five Thousand Dollars (\$25,000.00) as reflected by an audited financial statement prepared by a certified public accountant in accordance with generally accepted accounting principles that is accompanied by an opinion acceptable to the Administrator and is dated within fifteen (15) months of the date of application;

6. The applicant has paid all required fees for issuance of the license. The license fees for a mortgage lender shall be in the same amount as license fees applicable to a mortgage broker;

7. Each mortgage lender applicant shall designate and maintain a principal place of business for the transaction of business. If the mortgage lender applicant engages in activity that satisfies the definition of a mortgage broker, the mortgage lender shall designate a licensed mortgage loan originator to oversee the mortgage loan origination operations of the principal place of business and any branch office location where the mortgage lender applicant engages in activity that satisfies the definition of a mortgage broker. If an applicant wishes to maintain one or more ~~locations~~ branch offices for the transaction of business in addition to a principal place of business, the applicant shall first ~~obtain a~~ register the branch office license from location with the Administrator. The applicant shall submit a fee as set forth in paragraph ~~3~~ 8 of subsection K of Section 2095.6 of this title for each branch office ~~license issued.~~

~~If the Administrator of Consumer Credit determines that the applicant is qualified, the Administrator shall issue a branch office license indicating the address of the branch office registered. If the address of the principal place of business or of any branch office is changed, the licensee shall immediately notify the Administrator of the change and the Administrator shall endorse the change of address on the license for a fee as prescribed in paragraph 4 9 of subsection K of Section 2095.6 of this title; and~~

8. A separate mortgage broker license is not required for a mortgage lender that engages in activity that satisfies the definition of a mortgage broker as provided in the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. A mortgage lender that engages in activity that satisfies the definition of a mortgage broker shall comply with all requirements of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act regarding mortgage brokers.

SECTION 11. AMENDATORY 59 O.S. 2021, Section 2095.12, is amended to read as follows:

Section 2095.12. A. The minimum standards for license renewal for mortgage brokers shall include the following:

1. The mortgage broker continues to meet the minimum standards for license issuance under ~~Section 14 of this act~~ 2095.11 of this title; and

2. The mortgage broker has paid all required fees for renewal of the license.

B. The license of a mortgage broker failing to satisfy the minimum standards for license renewal shall expire. The Administrator of Consumer Credit may adopt procedures in addition to the requirements of ~~Section 9 of this act~~ paragraph 12 of subsection K of Section 2095.6 of this title for the reinstatement of expired licenses consistent with the standards established by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

SECTION 12. AMENDATORY 59 O.S. 2021, Section 2095.12.1, is amended to read as follows:

Section 2095.12.1. A. The minimum standards for license renewal for mortgage lenders shall include the following:

1. The mortgage lender continues to meet the minimum standards for license issuance under ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act; and

2. The mortgage lender has paid all required fees for renewal of the license.

B. The license of a mortgage lender failing to satisfy the minimum standards for license renewal shall expire. The Administrator of Consumer Credit may adopt procedures in addition to the requirements set forth in paragraph 12 of subsection K of Section 2095.6 of this title for the reinstatement of expired licenses consistent with the standards established by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

SECTION 13. AMENDATORY 59 O.S. 2021, Section 2095.13, is amended to read as follows:

Section 2095.13. In addition to any other duties imposed upon the Administrator of Consumer Credit by law, the Administrator shall require mortgage brokers, mortgage lenders and mortgage loan originators to be licensed and registered through the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry. In order to carry out this requirement, the Administrator is authorized to participate in the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry. For this purpose, the Administrator, upon approval of the Commission on Consumer Credit, may establish requirements by rule as necessary and consistent with ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, including but not limited to:

1. Background checks for:
 - a. criminal history through fingerprint or other databases,
 - b. civil or administrative records,
 - c. credit history, or

d. any other information as deemed necessary by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry;

2. The payment of fees to apply for or renew licenses through the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry;

3. The setting or resetting as necessary of renewal or reporting dates; and

4. Requirements for amending or surrendering a license or any other such activities as the Administrator deems necessary for participation in the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

SECTION 14. AMENDATORY 59 O.S. 2021, Section 2095.14, is amended to read as follows:

Section 2095.14. The Administrator of Consumer Credit shall, upon approval by the Commission on Consumer Credit, establish by rule a process whereby mortgage brokers, mortgage lenders and mortgage loan originators may challenge information entered into the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry by the Administrator.

SECTION 15. AMENDATORY 59 O.S. 2021, Section 2095.18, is amended to read as follows:

Section 2095.18. It is a violation of ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act for an entity or individual subject to ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act to:

1. Directly or indirectly employ any scheme, device, or artifice to defraud or mislead borrowers or lenders or to defraud any entity or individual;

2. Engage in any unfair or deceptive practice toward any entity or individual;

3. Obtain property by fraud or misrepresentation;

4. Solicit or enter into a contract with a borrower that provides in substance that the entity or individual subject to ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act may earn a fee or commission through "best efforts" to obtain or modify a loan even though a loan is not actually obtained or modified for the borrower;

5. Solicit, advertise or enter into a contract for specific interest rates, points or other financing terms unless the terms are actually available at the time of soliciting, advertising or contracting;

6. Conduct any business covered by ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act without holding a valid license as required under ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act or assist or aide and abet any entity or individual in the conduct of business under ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act without a valid license as required under ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act;

7. Fail to make disclosures as required by ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and any other applicable state or federal law including regulations thereunder;

8. Fail to comply with ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act or rules promulgated under ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act or fail to comply with any other state or federal law, including any rules thereunder, applicable to any business authorized or conducted under ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act;

9. Make, in any manner, any false or deceptive statement or representation, including, with regard to the rates, points, or other financing terms or conditions for a residential mortgage loan or engage in bait and switch advertising;

10. Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any

information or reports filed with a governmental agency or the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry or in connection with any investigation conducted by the Administrator of Consumer Credit or another governmental agency;

11. Make any payment, threat or promise, directly or indirectly, to any entity or individual for the purposes of influencing the independent judgment of the entity or individual in connection with a residential mortgage loan or make any payment, threat or promise, directly or indirectly, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property;

12. Collect, charge, attempt to collect or charge or use or propose any agreement purporting to collect or charge any fee prohibited by ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act;

13. Cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer; or

14. Fail to truthfully account for monies belonging to a party to a residential mortgage loan transaction.

SECTION 16. AMENDATORY 59 O.S. 2021, Section 2095.20, is amended to read as follows:

Section 2095.20. A. 1. There is hereby created in the State Treasury a revolving fund for the Commission on Consumer Credit to be designated the "Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund". The fund shall consist of fees received by the Administrator of Consumer Credit ~~as required by paragraph 6 of subsection M of Section 2095.6 of this title~~ to be paid into the fund.

2. The revolving fund shall be a continuing fund not subject to fiscal year limitations and shall be under the administrative direction of the Administrator. Monies accruing to the credit of this fund are hereby appropriated and may be budgeted and expended by the Commission, pursuant to rules promulgated by the Commission, for the purposes specified in subsection B of this section. The

provisions of this paragraph shall have retroactive and prospective application.

3. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. 1. Subject to the limitations of this subsection, monies in the fund shall be used to reimburse any entity or individual in an amount not to exceed ~~Five Thousand Dollars (\$5,000.00)~~ Ten Thousand Dollars (\$10,000.00) who has been adjudged by a court of competent jurisdiction to have suffered monetary damages by an entity or individual required to have a license under the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act in any transaction or series of transactions for which a license is required under the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act because of the acquisition of money or property by fraud, misrepresentation, deceit, false pretenses, artifice, trickery, or by any other act which would constitute a violation of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.

2. Payments for claims based on judgments against any one person required to have a license under ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act shall not exceed in the aggregate ~~Thirty Thousand Dollars (\$30,000.00)~~ Sixty Thousand Dollars (\$60,000.00).

3. Payments for claims may only be made for a cause of action which has accrued on or after November 1, 1997, and which has accrued not more than two (2) years prior to filing the action in district court.

SECTION 17. AMENDATORY 59 O.S. 2021, Section 2095.21, is amended to read as follows:

Section 2095.21. A. In order to meet the annual continuing education requirements as provided in subsection A of Section 2095.10 of this title, a licensed mortgage loan originator shall complete at least eight (8) hours of education approved as provided in subsection B of this section, which shall include at least:

1. Three (3) hours of federal law and regulations;

2. Two (2) hours of ethics, which shall include instruction on fraud, consumer protection and fair lending issues; and

3. Two (2) hours of training related to lending standards for the nontraditional mortgage product marketplace.

B. For purposes of subsection A of this section, continuing education courses shall be reviewed and approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry based upon reasonable standards. Review and approval of a continuing education course shall include review and approval of the course provider.

C. Nothing in this section shall preclude any education course as approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry that is provided by the employer of the mortgage loan originator or an entity which is affiliated with the mortgage loan originator by an agency contract or any subsidiary or affiliate of such employer or entity.

D. Continuing education may be offered either in a classroom, online or by any other means approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

E. A licensed mortgage loan originator, except as provided in subsection B of Section 2095.10 of this title and subsection I of this section:

1. May only receive credit for a continuing education course in the year in which the course is taken; and

2. May not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

F. A licensed mortgage loan originator who is an approved instructor of an approved continuing education course may receive credit for the licensed mortgage loan originator's own annual continuing education requirement at the rate of two (2) hours credit for every one (1) hour taught.

G. An individual having successfully completed the education requirements approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry in paragraph 1 of subsection A and subsections B and C of this section for any state shall be accepted as credit towards completion of continuing education requirements in this state.

H. A licensed mortgage loan originator who subsequently becomes unlicensed must complete the continuing education requirements for the last year in which the license was held prior to issuance of a new or renewed license.

I. An individual meeting the requirements of paragraphs 1 and 2 of subsection A of Section 2095.10 of this title may make up any deficiency in continuing education as established by rule.

SECTION 18. AMENDATORY 59 O.S. 2021, Section 2095.22, is amended to read as follows:

Section 2095.22. In order to promote more effective regulation and reduce regulatory burden through supervisory information sharing:

1. Except as otherwise provided in 12 U.S.C., Section 5111, the requirements under federal or Oklahoma law, regarding the privacy or confidentiality of any information or material provided to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to such information or material, shall continue to apply to such information or material after the information or material has been disclosed to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry. Such information and material may be shared with all state and federal regulatory officials with mortgage industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by federal or Oklahoma law.

2. For these purposes, the Administrator of Consumer Credit is authorized to enter into agreements or sharing arrangements with other governmental agencies, the Conference of State Bank Supervisors, the American Association of Residential Mortgage Regulators or other associations representing governmental agencies.

3. Information or material that is subject to a privilege or confidentiality under paragraph 1 of this section shall not be subject to:

- a. disclosure under any federal or state law governing the disclosure to the public of information held by an officer or an agency of the federal government or the respective state, or
- b. subpoena or discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privilege held by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry with respect to such information or material, the entity or individual to whom such information or material pertains waives, in whole or in part, in the discretion of such entity or individual, that privilege.

4. Any provision of Oklahoma law relating to the disclosure of confidential supervisory information or any information or material described in paragraph 1 of this section that is inconsistent with paragraph 1 of this section shall be superseded by the requirements of this section.

5. This section shall not apply with respect to the information or material relating to the employment history of and publicly adjudicated disciplinary and enforcement actions against mortgage brokers and mortgage loan originators that is included in the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry for access by the public.

SECTION 19. AMENDATORY 59 O.S. 2021, Section 2095.23, is amended to read as follows:

Section 2095.23. A. In addition to any authority allowed under the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, the Administrator of Consumer Credit shall have the authority to conduct investigations and examinations of the following:

1. Criminal, civil and administrative history information, including nonconviction data;

2. Personal history and experience information including independent credit reports obtained from a consumer reporting agency described in 15 U.S.C., Section 1681a(p);

3. The financial condition and internal management policies and procedures of any entity licensed or required to be licensed as a mortgage lender for purposes of determining that the entity is operating honestly, fairly and efficiently within the purposes of ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act; and

4. Any other documents, information or evidence the Administrator deems relevant to the inquiry or investigation regardless of the location, possession, control or custody of such documents, information or evidence.

B. For the purposes of investigating violations or complaints arising under the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act or for the purposes of examination, the Administrator may review, investigate or examine any licensee or entity or individual subject to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, as often as necessary in order to carry out the purposes of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. The Administrator may direct, subpoena or order the attendance of and examine under oath all individuals whose testimony may be required about the loans or the business or subject matter of any such examination or investigation and may direct, subpoena or order such individual to produce books, accounts, records, files and any other documents the Administrator deems relevant to the inquiry. Any examination or investigation report and any information obtained during an examination or investigation shall not be subject to disclosure under the Oklahoma Open Records Act. However, any examination or investigation report and any information obtained during an examination or investigation shall be subject to disclosure pursuant to a court order and may also be disclosed in an individual proceeding and any order issued pursuant to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.

~~C. The Administrator may require payment of an examination fee either at the time of initial application, renewal of the license or after an examination has been conducted. The examination fee shall be prescribed by rule of the Commission on Consumer Credit. The Administrator shall require a licensee or an entity or individual subject to the requirements of this act to pay travel costs for conducting examinations or investigations outside of the State of Oklahoma.~~

~~D.~~ Each licensee or ~~entities~~ entity or ~~individuals~~ individual subject to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act shall make available to the Administrator, upon request, any books and records relating to the requirements of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. The Administrator shall have access to such books and records and interview the officers, principals, mortgage loan originators, employees, independent contractors, agents and customers of the licensee, ~~entity~~ entities or individual subject to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act concerning the requirements of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. Books and records shall be maintained for a period of time required by rule of the Administrator.

~~E.~~ D. Each licensee or entity or individual subject to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act shall make or compile reports or prepare other information as directed by the Administrator in order to carry out the purposes of this section including, but not limited to:

1. Accounting compilations;
2. Information lists and data concerning loan transactions in a format prescribed by the Administrator; or
3. Such other information deemed necessary to carry out the purposes of this section.

~~F.~~ E. In making any examination or investigation authorized by the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, the Administrator may control access to any documents and records of the licensee or entity or individual under examination or investigation. The Administrator may take possession of the

documents and records or place an entity or individual in exclusive charge of the documents and records in the place where they are usually kept. During the period of control, no entity or individual shall remove or attempt to remove any of the documents and records except pursuant to a court order or with the consent of the Administrator. Unless the Administrator has reasonable grounds to believe the documents or records of the licensee have been, or are at risk of being, altered or destroyed for purposes of concealing a violation of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, the licensee or owner of the documents and records shall have access to the documents or records as necessary to conduct its ordinary business affairs.

~~G.~~ F. In order to carry out the purposes of this section, the Administrator may:

1. Retain attorneys, accountants, or other professionals and specialists as examiners, auditors or investigators to conduct or assist in the conduct of examinations or investigations;

2. Enter into agreements or relationships with other government officials or regulatory associations in order to improve efficiencies and reduce regulatory burden by sharing resources, standardized or uniform methods or procedures and documents, records, information or evidence obtained under this section;

3. Use, hire, contract or employ public or privately available analytical systems, methods or software to examine or investigate the licensee, entity or individual subject to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act;

4. Accept and rely on examination or investigation reports made by other government officials, within or without this state;

5. Accept audit reports made by an independent certified public accountant for the licensee or entity or individual subject to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act in the course of that part of the examination covering the same general subject matter as the audit and may incorporate the audit report in the report of the examination, report of investigation or other writing of the Administrator; or

6. Participate in multistate mortgage examinations as scheduled by the ~~Multi-State~~ Multistate Mortgage Committee established by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators.

~~H.~~ G. The authority of this section shall remain in effect, whether such a licensee or entity or individual subject to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act acts or claims to act under any licensing or registration law of this state or claims to act without such authority.

~~I.~~ H. No licensee or entity or individual subject to investigation or examination under this section may knowingly withhold, abstract, remove, mutilate, destroy or secrete any books, records, computer records or other information.

SECTION 20. AMENDATORY 59 O.S. 2021, Section 2095.24, is amended to read as follows:

Section 2095.24. Each licensee shall submit to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry reports of condition, which shall be in such form and shall contain such information as the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry may require.

SECTION 21. AMENDATORY 59 O.S. 2021, Section 2095.25, is amended to read as follows:

Section 2095.25. Notwithstanding or subject to state privacy law, the Administrator of Consumer Credit is required to regularly report violations of ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act as well as enforcement actions and other relevant information to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry subject to the provisions contained in ~~Section 25 of this act~~ Section 2095.22 of this title.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2095.27 of Title 59, unless there is created a duplication in numbering, reads as follows:

A licensee may permit its employees or independent contractors to work at remote locations in compliance with the licensee's written policies and procedures subject to the following conditions:

1. The licensee has written policies and procedures for supervision of employees and independent contractors working from remote locations;

2. Access to a licensee's platforms and customer information shall be in accordance with the licensee's comprehensive written information security plan;

3. No in-person customer interaction shall occur at an employee's or independent contractor's residence unless such residence is a licensed or registered location;

4. Physical records shall not be maintained at a remote location;

5. Interactions with and conversations about consumers shall be in compliance with federal and state information security requirements, including applicable provisions under the Gramm-Leach-Bliley Act and the Safeguards Rule established under the Federal Trade Commission, set forth in 16 CFR Part 314, as such may be amended from time to time;

6. Employees or independent contractors working at a remote location shall have access to the licensee's secure systems, including a cloud-based system, directly from any out-of-office device that such employee or independent contractor may use including, but not limited to, a laptop, mobile phone, desktop computer, or tablet, via a virtual private network, or comparable system, that ensures secure connectivity and requires passwords or forms of authentication to access;

7. The licensee shall ensure that appropriate security updates, patches, or other alterations to the security of all devices used at remote locations are installed and maintained;

8. The licensee shall have an ability to remotely lock or erase company-related contents of any device or other otherwise remotely limit all access to the licensee's secure systems; and

9. The Nationwide Multistate Licensing System and Registry record of a mortgage loan originator that works from a remote location shall designate the principal place of business as his or her registered location unless such mortgage loan originator elects to choose a licensed branch office as a registered location.

SECTION 23. This act shall become effective November 1, 2024.

Passed the Senate the 7th day of March, 2024.

Presiding Officer of the Senate

Passed the House of Representatives the 23rd day of April, 2024.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____